



US Army Corps  
of Engineers

# Construction Bulletin

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## CEMP-C

**Subject:** Transfer of Completed Construction Projects

**Applicability:** DIRECTIVE

1. There have been some recent concerns raised by some of our Army MACOMS that appropriate procedures are not being utilized in the transfer of completed construction projects to our customers. This Construction Bulletin (CB) reiterates Corps policies and provides clarifying guidance on this very important issue.

2. The following policies have been developed in coordination with OACSIM by the USACE Military Programs Directorate and shall be applied in the transfer of completed construction projects to military installations:

a. Basic Army policy on transfer of completed construction work from a USACE district to a military installation is contained in Appendix K, paragraph K-29 of AR 415-15 and in DA Pamphlet 405-45, Real Property Management and Accountability. This transfer involves:

(1) A joint inspection of completed work.

(2) Joint agreement that the facility is ready for beneficial occupancy (i.e., complete and useable for its designed purpose).

(3) Joint signature by installation and district representatives on the DD Form 1354 signifying the readiness for beneficial use, and the transfer of property accountability to the installation.

b. Engineering Regulations (ER 415-345-38) supplement the above policies with specific directions on the joint inspection. This supplemental policy specifies that transfer of construction to installations will be simultaneous with acceptance of that construction from the contractor. The USACE signed DD Form 1354 will be furnished to the installation representative for signature at the time of joint inspection. The ER further states (paragraph 6.c.(2)) that facilities will not be physically occupied by the customer until the DD Form 1354 is signed by the installation representative.

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c. Conformance to the above described procedures is important and forms a common goal among the contractor, USACE construction manager, installation director of public works, and the facility user. It also provides a continuous chain of accountability for the real property facility, and reflects a partnership among the parties.

d. Upon the simultaneous transfer, acceptance and beneficial use of the facility, the USACE representative forwards a copy of the jointly signed DD Form 1354 to the USACE finance and accounting office. Receipt of this jointly signed DD Form 1354 by the USACE finance and accounting office authorizes the dropping of the project from USACE Construction In Progress (CIP) accounts. Similarly, receipt by the installation finance and accounting office of the jointly signed DD Form 1354 from the installation DPW authorizes their recording of the capital asset on the installation's accounts. This formal process is the only method by which the project's CIP account can be closed and correspondingly the installation's real property records adjusted. Recently, attention to this accountability procedure has become more focused as a result of the Chief Financial Officer's Act (CFO Act), which has placed greater emphasis on installation practices for picking up USACE military projects and closing the CIP accounts. Additional guidance on processing CIP transfers can be found in CEMP-MP memorandum dated 9 Feb 95, subject: Project Manager (PM) Guidance on Transfer of Construction Projects from the Construction-In-Progress (CIP) Account for Military Programs.

e. All deficiencies noted during the joint inspection should be noted on the transfer documents (DD Form 1354) and classified as either contract deficiencies or outside the scope of the contract. Not later than 14 calendar days following the joint inspection, the USACE representative will provide to the customer a written plan of action for resolution of each item. The plan will include a schedule for correction of the outstanding deficiencies and will address the funds needed for correction, if any. Once all deficiencies have been corrected, the USACE representative and the customer will initial on the transfer documents acknowledging correction.

f. Established procedures exist to resolve disagreements between USACE district and installation personnel regarding minor deficiencies (punch list items) on construction projects. If first echelon representatives can not resolve these differences, the issues are raised to the next level of the district and installation until they are resolved. Unilateral transfer or rejection of the facility, and/or occupancy prior to resolution of outstanding issues regarding the constructed project, is not an allowable option. Conformance to the above policies and procedures will foster good relations as well as accurate accounting. A joint Memorandum of Understanding on transfer procedures should be established between the District and the Installation in accordance with ER 415-345-38.

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3. This CB has been fully coordinated with CEMP-M, CERM-ZA and Office of the Chief Counsel (CECC-C). My point of contact for any questions is the Construction Policy Branch (CEMP-CP) at (202) 761-1486.

  
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